New Pension Scheme

2152. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have formulated a fresh Pension Scheme for its new entrants;

(b) if so, the details thereof and the reasons therefor;

(c) whether the new pension scheme would also be applicable to all persons including self-employed professionals and others in the organized and unorganized sector including those governed by the Employees Provident Fund Act, 1952; and

(d) if so, the details thereof and whether the new pension scheme would be more beneficial to the categories specified in part (c) above?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. With effect from January 01,2004, a defined contribution pension scheme is mandatory for new entrants to Central Government service, except to Armed Forces, in the first stage, replacing the existing system of defined benefit pension.

(c) and (d) The new system will also be available on a voluntary basis, to all persons including self-employed professionals and others in the unorganized sector. However, mandatory programmes under the Employees Provident Fund Organization (EPFO) and other special provident funds would continue to operate as per the existing system under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and other special Acts governing these funds. Individuals under these programmes could voluntarily choose to additionally participate in this scheme.

Evasion of tax by co-operative societies

2153. SHRI R.K.ANAND: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that most of the co-operative societies do not file returns of income and are evading payment of income tax to the Government in crores of rupees;

(b) whether the Income Tax Department has failed to collect hundreds of crores of rupees from the co-operative societies registered in different parts of the country; and

(c) if so, the action taken by Government to ensure that the cooperative societies file their income tax returns and realise their dues from the co-operative societies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) There is no evidence to suggest that most of the co-operative societies having taxable income are not filing their returns of income or are evading payment of tax. Wherever any default on the part of co-operative societies in filing their returns or payment of taxes due comes to the notice of the Department, appropriate action is taken.

(b) and (c) Not applicable in view of (a) above.

Education loans

2154. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased state:

(a) whether the budget announcement on collateral free education loans up to Rs. 7.5 lakhs to students has still not been implemented by banks;

(b) if so, the reasons therefor; and

(c) whether the guidelines in this regard have not been issued thus depriving students to get admission in professional courses this year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The information is being collected and will be laid on the Table of the House.

(c) In consonance with Budget announcement 2004-05, Indian Banks Association has issued a circular on July 23, 2004 to all member banks not to ask for collateral on loans up to Rs. 7.5 lakh. Accordingly, now no security is required for loans up to Rs. 4 lakh, only a satisfactory third party guarantee is enough for loans above Rs. 4 lakh and upto Rs. 7.5 lakh and collateral security of suitable value is required for loans above Rs. 7.5 lakh.

Revised inspection system for Banks

2155. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India proposes to implement the revised inspection system for banks after shifting to the Risk Based Supervision (RBS) system;